

The complaint

Miss H has complained that Starling Bank Limited (“Starling”) didn’t block all of her gambling transactions, despite informing Starling of her gambling issues on 24 July 2022.

What happened

In July 2022, Miss H contacted Starling to explain that she had an issue with gambling. In response Starling provided Miss H with information on organisations who she could contact for support. A gambling block had been applied to Miss H’s Starling account, although Miss H asked if the option to remove the block could be removed i.e. so that it remained permanently on her account with no way for it to be removed. Starling explained that the option to remove the block would remain on the account.

On 30 March 2023, a new debit card was issued to Miss H for her Starling account. Unfortunately, the gambling block that had been on Miss H’s previous debit card had not been applied to Miss H’s new card. Miss H then went on to frequently use her Starling debit card to make gambling payments.

Miss H reached out to Starling in January 2025, to say she had an issue with gambling and asked if the money could be recovered by Starling. Starling confirmed it was unable to do that, so a complaint was subsequently raised.

Starling issued its final response to the complaint on 24 January 2025 and upheld the complaint. Starling acknowledged that it should’ve ensured the gambling block that’d been on her previous debit card was applied to her new one. Starling paid Miss H £150 for the distress and inconvenience caused. It also reimbursed Miss H for some of the payments she’s made to gambling companies since the new debit card was issued, less any winnings she’d received. And, as she’d not had the benefit of that money, it also agreed to pay her 8% simple annual interest on the amounts to be reimbursed, less deductible tax. Starling paid the redress to Miss H on 28 January 2025.

After Miss H referred her complaint to this service, one of our investigators assessed the complaint, and they didn’t think that Starling needed to do anything further to put matters right for Miss H.

As Miss H didn’t accept the investigator’s assessment, the matter was referred for an ombudsman’s decision.

What I’ve decided – and why

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

Having reviewed everything, I don’t think that Starling needs to do anything further in relation to this complaint, for broadly the same reasons that the investigator provided. I will explain why.

In July 2022, I can see that Miss H contacted Starling to ask if the option to remove a gambling block could be removed, preventing her from being able to remove it. In response Starling confirmed it couldn't be i.e. the option to remove the block would remain available to Miss H.

Overall, I can't say that Starling was being unfair or unreasonable towards Miss H at this time. It's gambling block operates in a similar way to how other financial businesses' gambling blocks operate. And ultimately, it's up to the account holder, not Starling, to decide what they spend their money on. So, I can't say Starling is being unfair or unreasonable in allowing account holders the option of removing such a block from their debit card.

If an account holder applies to Starling to remove the block, I understand there is a 48-hour delay between asking for the block to be removed and it being removed. I think this is reasonable as it gives account holders time to reconsider whether removing the block is the best course of action to take in their circumstances. And it gives them time to change their mind and ask for it to be reapplied should they want to.

In her response to the investigator's assessment, Miss H says that Starling should've given her more support in 2022. But looking at the webchats between Starling and Miss H, Starling reached out to her a couple of times and gave her details of gambling organisations she could contact, if she needed more support. And, because Miss H hadn't responded, Starling explained that it won't keep contacting her proactively, but invited her to get in contact again, if she needed more support.

Miss H says she didn't respond as she was experiencing great difficulties at the time. However, whilst I'm sorry to hear that, at the same time I can't say that Starling is at fault because she didn't get back in contact with it (that is, not until January 2025).

In my view, this was a reasonable course of action for Starling to have taken, given what it was told in 2022. I think it did provide reasonable levels of support - particularly given that the gambling block was still active on Miss H's debit card at the time. And so I don't think there was much more that Starling could reasonably have done.

When Miss H was issued with a new debit card in March 2023, I understand that Miss H did subsequently start to frequently gamble using her Starling debit card, because the block was no longer present on her card. I agree with Starling that the gambling block should've rolled over on to the new card. And the fact that it didn't, led to Miss H making payments to gambling companies that she otherwise wouldn't have been able to do, had the block still been in place.

So, I think reimbursing Miss H for transactions - that otherwise would've been blocked - less any winnings received, was reasonable. And, as Miss H didn't have the benefit of this money, Starling's offer to also pay Miss H 8% simple annual interest, less any deductible tax seemed fair too.

Miss H has said that, once the gambling block had been removed, the high frequency of transactions to gambling companies should've been flagged up on Starling's systems. However, I don't think I need to make a finding on this. Because even if I were to conclude that it should've flagged up, I think the redress that Starling has paid is fair in the circumstances.

I say this because, there were only limited options available to Starling to prevent Miss H from spending money on gambling. For example, had Starling suspended or closed Miss H's

account (although I'm not saying it should've), this could've caused Miss H even further financial difficulties than she says she was already experiencing, as she would then not have been able to carry out her normal day-to-day i.e. non gambling, spending.

As well as making payments directly to gambling companies (once the block had been removed), Miss H has explained that she also made many transactions to gambling companies, by using third-party payment providers.

However, Starling's gambling block operates by knowing what type of business the recipient is. This means that there are practical limitations on how effectively it can work. So for example, if a gambling company has not categorised itself as a gambling company within the various payment networks, or if the account holder uses a third-party payment provider to make the payment, Starling's gambling block won't know that the payment should be blocked.

Therefore, given the above, even if the gambling block had not been removed in March 2023, it won't have been able to block the payments that Miss H made using the different third-party payment providers.

Because of this, I think it was fair that Starling did not include the payments made via the third-party payment providers, when deciding how much it should reimburse Miss H, for removing the gambling block when the new debit card was issued.

Finally, I note that Miss H has said that she doesn't think the redress is enough because of the severe impact this matter has had on her. I'm sorry to hear about Miss H's circumstances. I've no doubt that her gambling problem has had a severe impact on her. But having said that, I can't reasonably hold Starling responsible for the distress caused by Miss H's gambling problem. I can only hold it responsible for contributing to what was already a difficult time, by removing the gambling block when the new debit card was issued.

However, Miss H was using third-party payment providers. So, it seems likely to me that, even if the block had been reapplied to her new debit card, she likely would've continued to gamble and suffered similar financial losses. So, I don't think it would be fair or appropriate to say that Starling should reimburse Miss H for any further gambling losses, than it already has.

So, taking everything into account, although it's clear that not everything went as it should've, I think what Starling has already done to put things right for Miss H is fair and reasonable.

My final decision

Because of the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 28 April 2025.

Thomas White
Ombudsman